

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Servicemember's name/address

Date \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Creditor's Name and Full Address

Re: Request for Reduction in Interest Rate, \_\_\_\_\_  
Type of Account and Account Number

Sir/Madam:

I have recently been ordered to active duty with the Armed Forces of the United States, (effective: \_\_\_\_\_) and therefore request that my monthly obligation with regard to the above-referenced account, including payments and interest, be reduced pursuant to my rights under the Servicemembers Civil Relief Act (SCRA), 50 USCS Appx §§ 501 – 596. My entry into military service has materially affected my ability to meet this obligation (incurred prior to my order to active duty) at the present interest rate.

The SCRA (50 USCS Appx § 527) set a 6% per annum ceiling on interest charges (including service charges, renewal charges and fees) during the period of a Servicemembers military service for obligations made before entry onto active duty. Thus the balance of my obligation may not have interest charged at a rate greater than 6% after the effective date of my orders. The difference in interest as a result of the reduction, must be forgiven and may not be merely accrued or deferred.

Please ensure that your records are amended/corrected to reflect that my obligation has been reduced to no more than the statutory ceiling rate of 6% as of the effective date of my active duty orders and that any excess charge withdrawn. It is my understanding that certain business entities have reduced their original interest rate to less than 6% as a good faith gesture in support of our country's military personnel and the important mission they serve to the United States. Note that compliance with this law is mandatory now that a request has been made. Failure to comply with such a request can subject a creditor to sanctions. Note also that there are civil and even criminal sanctions for the wrongful repossession of any property for non-payment of an installment obligation.

Thank you in advance for your attention and prompt action to this matter.

Sincerely,

\_\_\_\_\_  
Signature of Servicemember

Attachment:  
Military Activation Orders

6% Interest Reduction